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## Конференция Сторон

Восемнадцатая сессия

Доха, 26 ноября – 7 декабря 2012 года

Пункт 11 с) предварительной повестки дня

**Вопросы, касающиеся финансирования**

**Доклад Зеленого климатического фонда**

**для Конференции Сторон и руководящие**

**указания для Зеленого климатического фонда**

## Доклад Зеленого климатического фонда для Конференции Сторон

### Записка секретариата\*

1. Конференция Сторон (КС) решением 3/CP.17 утвердила руководящий документ для Зеленого климатического фонда (ЗКФ). Руководящий документ предусматривает, в частности, что ежегодные доклады Совета ЗКФ будут представляться на рассмотрение КС.
2. В соответствии с этим положением временный секретариат ЗКФ представил прилагаемый доклад (см. приложение), датированный 16 ноября 2012 года; он воспроизводится в том виде, в котором он был представлен без официального редактирования.
3. Руководящий документ ЗКФ также предусматривает, что Совет ЗКФ будет в целях обеспечения подотчетности перед КС и во исполнение пункта 3 статьи 11 Конвенции получать руководящие указания от КС, в том числе по вопросам, связанным с политикой, программными приоритетами и критериями приемлемости, а также по смежным вопросам.

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\* Настоящий документ был получен от временного секретариата Зеленого климатического фонда 16 ноября 2012 года и после этого был представлен.

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Annex

[English only]

# Green Climate Fund

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## Report of the Board of the Green Climate Fund to the Conference of the Parties to the United Nations Framework Convention on Climate Change

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16 November 2012

# Report of the Board of the Green Climate Fund to the Conference of the Parties to the United Nations Framework Convention on Climate Change

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## I. Introduction

1. The Conference of the Parties (COP) to the United Nations Framework Convention on Climate Change (UNFCCC) decided at its sixteenth session to establish the Green Climate Fund, to be designated as an operating entity of the financial mechanism of the Convention. The COP further decided that the Fund will be governed by a Board, have a Trustee and be supported by an independent Secretariat (decision 1/CP.16, paragraphs 102-112).
2. The COP decided at its seventeenth session to, inter alia, approve the Governing Instrument for the Fund, designate the Fund as an operating entity of the financial mechanism of the Convention, provide guidance to the Board of the Fund, taking into account the Board's annual reports to the COP on its activities, and request the Board to undertake specific actions to operationalize the Fund in an expedited manner (decision 3/CP.17, paragraphs 1-26).
3. This report covers the activities undertaken by the Board between December 2011 and November 2012.

## II. Activities of the Fund

### 2.1 Membership of the Board

4. Regional groupings and constituencies nominated 24 members and 24 alternate members and communicated their names and affiliations to the Interim Secretariat by 20 August 2012. Annex I to this report provides the list of members of the Board and their alternates.

### 2.2 Meetings of the Board

5. During the period covered by this report, the first and the second meetings of the Board were held in Geneva, Switzerland, from 23 to 25 August 2012 and in Songdo, Republic of Korea, from 18 to 20 October 2012, respectively. In addition to members and alternate members, the meetings were attended by advisers to the members and alternate members and four active observers from developing and developed countries representing civil society organizations and the private sector.
6. At its meetings, the Board considered matters relating to: election of the Co-Chairs; additional rules of procedure of the Board; selection of the host country of the Fund; arrangements for observer participation in the Board meetings; arrangements for the Interim Secretariat; arrangements for the Interim Trustee; work plan of the Board until the end of 2013; administrative budget of the Fund until the end of 2013; arrangements for establishing the independent Secretariat, including the selection of its Executive Director; arrangements between the Fund and the COP; status of resources of the Fund; logo of the Fund; and the Board's report to COP 18.
7. A summary of the actions taken by the Board is presented below, and the decisions taken by the Board are provided in Annex II to this report. The report of the first meeting of the Board is contained in document

GCF/B.01-12/10 and available on the Green Climate Fund's website <GCFund.net>.

### 2.3 Election of the Co-Chairs of the Board

8. The Board elected Mr. Zaheer Fakir (South Africa) and Mr. Ewen McDonald (Australia) as its Co-Chairs to serve for the period of one year, consistent with paragraph 13 of the Governing Instrument.

## 2.4 Additional rules of procedure of the Board

9. In addition to the rules of procedure contained in the Governing Instrument, the Board adopted an additional rule of procedure relating to Co-Chairs' seats. Following the discussions at its first and second meetings in 2012, the Board decided to further consider additional rules of procedure at its first meeting in 2013. The Co-Chairs requested a team of Board members, comprising Mr. Per Callesen, Mr. Dipak Dasgupta, Mr. Omar El-Arini, Ms. Beata Jaczewska, Mr. Gilbert Metcalf and Mr. George Zedginidze to undertake deliberations on the additional rules of procedure considered in document GCF/B.02-12/02, with the aim of reaching consensus amongst the team and reporting back to the Board.

## 2.5 Selection of the host country of the Fund

10. Six expressions of interest to host the Fund were received, from Germany, Mexico, Namibia, Poland, Republic of Korea and Switzerland. These six countries presented their offers to the Board at its first meeting. The Board adopted the evaluation criteria and selection process and established a Host Country Evaluation Committee, which evaluated the expressions of interest and reported back to the Board at its second meeting. The Committee had the following

membership: Mr. Bambang Brodjonegoro (Indonesia), Mr. Omar El-Arini (Egypt), Ms. Ana Fornells de Frutos (Spain),

H.E. Ms. Audrey Joy Grant (Belize), Mr. Gilbert Metcalf (United States of America) and Mr. Tomas Zidek (Czech Republic).

11. The Board, at its second meeting, decided by consensus to select Songdo, Incheon City, Republic of Korea, as the host city of the Fund. The decision-making process, which was agreed by the Board and host countries, is outlined in Annex III to this report. The Board also agreed to present this decision for endorsement to the COP of the UNFCCC at its eighteenth session.

## 2.6 Arrangements for the Interim Secretariat, including the appointment of its head

12. The secretariats of the UNFCCC and the Global Environment Facility (GEF) established the Interim Secretariat<sup>1</sup> and assigned staff, either full-time or part-time, to work in the Interim Secretariat. The Interim Secretariat began its work in December 2011.

13. The Board, at its first meeting, decided that the Interim Secretariat should continue with the arrangements established by the UNFCCC and GEF secretariats, under the supervision of the Co-Chairs. At its second meeting, the Board authorized the Interim Secretariat to recruit staff for the period from 1 November 2012 to 31 December 2013 in accordance with the administrative budget of the Fund and subject to availability of resources.

## 2.7 Arrangements for observer participation in the Board meetings

14. The Board decided at its first and second meetings to invite four active observers to participate in the meeting. The active observers were provided opportunities to make statements on specific items during the meetings. The additional rules of procedure on observers are still to be determined by the Board.

## 2.8 Work plan of the Board

15. At its first and second meetings, the Board discussed and agreed in principle on elements of its work plan (Annex IV to this report) for the period ending 31 December 2013. The Board agreed indicative priority matters and an indicative timeline, noting that the Board will manage the timeline on a meeting-by-meeting basis. A team of six Board members/alternate members was requested to facilitate the preparation of the documents on the business model framework. These Board members/alternate members are: Mr. Arnaud Buisse (France), Mr. Nick Dyer (United

<sup>1</sup> Consistent with paragraph 18 of decision 3/CP.17.

Kingdom), Mr. Derek Gibbs (Barbados), Mr. Kjetil Lund (Norway), Mr. Tosi Mpanu Mpanu (Democratic Republic of the Congo) and Ms. Adriana Soto (Colombia).

## 2.9 Selection of the Executive Director and establishment of the independent Secretariat

16. The Board established an Executive Director Selection Committee comprising six Board members (H.E. Mr. Jan

Cedergren, H.E. Mr. Ernesto Cordero Arroyo, Mr. Omar El-Arini, H.E. Ms. Audrey Joy Grant, Mr. Manfred

Konukiewitz and Mr. Alexey Kvasov) to oversee the selection process for the Executive Director and make recommendations to the Board. The Board requested the Committee to consider Board input and finalize the terms of reference for the position, consider the use of an executive search firm, oversee advertising and oversee the shortlisting of candidates. The Committee will provide a shortlist of three candidates without ranking to the Board for consideration at the first Board meeting in 2013.

17. At its second meeting, the Board also discussed a range of other matters to be considered in establishing the independent Secretariat.

## 2.10 Interim Trustee services

18. The designated Interim Trustee of the Fund, the World Bank, formally accepted the invitation by the COP. The Interim Trustee established a Financial Intermediary Fund (Trust Fund) for the Green Climate Fund in April 2012 and has been receiving contributions from countries for the Fund's administrative operations.

19. At its second meeting, the Board approved the Standard Provisions that would apply to all contributions to the Green Climate Fund Trust Fund prior to the conclusion of the legal arrangements between the Interim Trustee and the Fund. The Board also approved the Transfer Agreement that would govern the arrangements for the transfer of funds by the Interim Trustee to the UNFCCC secretariat in connection with its role in the Interim Secretariat.

## 2.11 Administrative budget of the Fund

20. The Board approved at its first meeting the administrative budget to cover the expenditures of the Board, the Interim Secretariat and the Interim Trustee incurred during the period before 30 June 2012 and the administrative budget for the period between 1 July and 31 October 2012, amounting to US\$ 2.12 million. At its second meeting, the Board approved the administrative budget for the period between 1 November 2012 and 31 December 2013, amounting to US\$ 7.48 million. Total approvals by the Board to date amount to US\$ 9.6 million.

21. The administrative costs of the Fund have to date been funded from two sources: 1) resources remaining from contributions made in 2011 to the UNFCCC secretariat in support of the work of the Transitional Committee for the design of the Green Climate Fund, with the consent of the relevant contributors; and 2) contributions to the Green Climate Fund Trust Fund.

## 2.12 Financial resources for the administrative budget in the Green Climate Fund Trust Fund

22. Several countries have already paid in contributions to the Green Climate Fund Trust Fund, others have indicated their intention to contribute to the Trust Fund, and some are in the process of making administrative arrangements for providing resources for the administrative budget. As at the closing of the second Board meeting on 20 October 2012, countries had pledged a total amount of US\$ 7.31 million equivalent to the Trust Fund. The Interim Trustee had entered into agreements/arrangements with four countries for contributions totalling US\$ 3.5 million and had received the full amounts from those countries into the Trust Fund.

## 2.13 Arrangements between the Green Climate Fund and the UNFCCC COP

23. The Board discussed the arrangements between the Fund and the COP at its first and second meetings without reaching consensus.

## Annex I: Members and alternate members of the Board of the Green Climate Fund as at 16 November 2012

Members	Alternate members	Constituency/Regional Group
<b>Mr. Christian N. Adovelande</b> (Benin) President West African Development Bank	<b>Mr. Tosi Mpanu Mpanu</b> (Democratic Republic of the Congo) Co-Chair of the REDD+ Partnership	Developing countries, Africa
<b>Mr. Omar El-Arini</b> (Egypt) Member of the Board Egyptian Environmental Affairs Agency	<b>Mr. Newai Gebre-ab</b> (Ethiopia) Member of the former Transitional Committee for the design of the Green Climate Fund	
<b>Mr. Zaheer Fakir</b> (South Africa) Head International Relations and Governance, Department of Environmental Affairs	<b>Mr. Paulo Gomes</b> (Guinea Bissau) Member of the Board of Directors Ecobank Transnational Inc., Vice-Chairman of the finance committee	
<b>Ms. Zou Jiayi</b> (China) Director General Department of International Cooperation, Ministry of Finance	<b>Mr. JongKu Choi</b> (Republic of Korea) Deputy Minister Ministry of Strategy and Finance	Developing countries, Asia-Pacific
<b>Mr. Bambang Brodjonegoro</b> (Indonesia)* Head of Fiscal Policy Office, Ministry of Finance	<b>Mr. Jose Ma. Clemente Sarte Salceda</b> (Philippines)* Governor Province of Albay	
<b>Mr. Dipak Dasgupta</b> (India)* Principal Economic Adviser Ministry of Finance	<b>Mr. Farrukh Iqbal Khan</b> (Pakistan)* Counsellor Permanent Mission of Pakistan to the United Nations	
<b>Ms. Adriana Soto</b> (Colombia)* Vice-Minister Ministry of Environment and Sustainable Development	<b>Mr. Gabriel Quijandria Acosta*</b> (Peru) Vice-Minister for Strategic Development of Natural Resources Ministry of Environment	Developing countries, Latin America and the Caribbean
<b>H.E. Ms. Audrey Joy Grant</b> (Belize)* Minister of Energy, Science and Technology and Public Utilities	<b>Mr. Jorge A. Ferrer Rodriguez</b> (Cuba)* Minister Counsellor Multilateral Affairs Division, Ministry of Foreign Affairs	
<b>H.E. Mr. Ernesto Cordero Arroyo</b> (Mexico)* Former Minister of Finance and Public Credit	<b>Mr. Rodrigo Rojo</b> (Chile) Deputy Director for International Affairs, Ministry of Finance	
<b>Mr. David Kaluba</b> (Zambia) Principal Economist Ministry of Finance and National Planning	<b>Mr. Mesbah ul Alam</b> (Bangladesh) Secretary Ministry of Environment and Forests; GEF Operational Focal Point	Developing countries, Least Developed Countries

Members	Alternate members	Constituency/Regional Group
<p><b>Mr. Derek Gibbs</b> (Barbados) Chief Economist Research and Planning Unit, Economic Affairs Division, Ministry of Finance and Economic Affairs</p>	<p><b>H.E. Mr. Ali'ioaigi Feturi Elisaia</b> (Samoa) Ambassador Extraordinary and Plenipotentiary, Permanent Representative, Permanent Mission of Samoa to the United Nations</p>	<p>Developing countries, Small Island Developing States</p>
<p><b>H.E. Mr. George Zedginidze</b> (Georgia) Minister Ministry of Environment Protection</p>	<p><b>Mr. Salman Aldossary</b> (Saudi Arabia)* Senior Adviser Ministry of Petroleum and Mineral Resources</p>	<p>Developing countries</p>
<p><b>Mr. Ewen McDonald</b> (Australia) Deputy Director General Australian Agency for International Development</p>	<p><b>Mr. Rod Hilton</b> (Australia) Assistant Director General Australian Agency for International Development</p>	<p>Developed countries, Australia on behalf of Australia and New Zealand</p>
<p><b>Mr. Per Callesen</b> (Denmark) Governor Central Bank of Denmark</p>	<p><b>Mr. Richard Doornbosch</b> (Netherlands) Head International Economy and Financial Institutions Division, Ministry of Finance</p>	<p>Developed countries, Denmark and the Netherlands**</p>
<p><b>Ms. Delphine D'Amarzit</b> (France) Assistant Secretary Multilateral Financial Affairs and Development Division, Directorate-General of the Treasury</p>	<p><b>Mr. Arnaud Buisse</b> (France) Deputy Assistant Secretary Multilateral Financial Affairs and Development Division, Directorate-General of the Treasury</p>	<p>Developed countries, France</p>
<p><b>Mr. Manfred Konukiewitz</b> (Germany) Deputy Director General Climate Policy, Global and Sectoral Affairs, Federal Ministry for Economic Cooperation and Development (BMZ)</p>	<p><b>Mr. Norbert Gorissen</b> (Germany) Head of Division International Climate Finance, International Climate Initiative, Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU)</p>	<p>Developed countries, Germany</p>
<p><b>Mr. Yoshiki Takeuchi</b> (Japan) Deputy Director General International Bureau, Ministry of Finance</p>	<p><b>Mr. Ryusuke Nakayama</b> (Japan) Director for Development Issues Ministry of Finance</p>	<p>Developed countries, Japan</p>
<p><b>Mr. Kjetil Lund</b> (Norway) State Secretary Ministry of Finance</p>	<p><b>Mr. Tomas Zidek</b> (Czech Republic) Deputy Minister Ministry of Finance</p>	<p>Developed countries, Norway and Czech Republic</p>
<p><b>Ms. Beata Jaczewska</b> (Poland) Deputy Minister Ministry of Environment</p>	<p><b>Mr. Adam Kirchknopf</b> (Hungary) Deputy Head Department for International Development Cooperation and Humanitarian Aid Ministry of Foreign Affairs</p>	<p>Developed countries, Poland and Hungary**</p>

<b>Members</b>	<b>Alternate members</b>	<b>Constituency/Regional Group</b>
<b>Ms. Ana Fornells de Frutos</b> (Spain) Expert on Climate Change Finance Ministry of Environment	<b>Ms. Francesca Manno</b> (Italy) Director, International Affairs Directorate of the Treasury Department, Ministry of the Economy and Finance	Developed countries, Spain and Italy**
<b>Mr. Alexey Kvasov</b> (Russian Federation) Deputy Chief Presidential Experts' Directorate Russian G8 Sherpa Executive Office of the President	<b>Mr. Anton Hilber</b> (Switzerland) Head Global Programme Climate Change, Swiss Agency for Development Cooperation, Federal Department of Foreign Affairs	Developed countries, Russian Federation and Swit- zerland***
<b>H.E. Mr. Jan Cedergren</b> (Sweden) Ambassador Ministry of Environment	<b>Mr. Jozef Buys</b> (Belgium) Attaché Directorate General for Development Co- operation, Ministry of Foreign Affairs	Developed countries, Sweden and Belgium**
<b>Mr. Nick Dyer</b> (United Kingdom of Great Britain and Northern Ireland) Director Policy Department for International Development	<b>Mr. Stewart James</b> (United Kingdom of Great Britain and Northern Ireland) Her Majesty's Treasury, U.K. Alternate Executive Director to the World Bank	Developed countries, United Kingdom of Great Brit- ain and Northern Ireland
<b>Mr. Gilbert Metcalf</b> (United States of America) Deputy Assistant Secretary Environment and Energy, Department of the Treasury	<b>Ms. Elizabeth Urbanas</b> (United States of America) Director, Environment and Energy Office, Department of the Treasury	Developed countries, United States of America

\* The letters of nomination from Asia-Pacific and Latin America and the Caribbean indicate a change in the arrangements during the three-year term of membership.

\*\* The letter of nomination indicated that: "Constituencies will decide at their own discretion on the designation of Member and Alternate Member. Discussions amongst developed country Parties in Geneva on 13 April 2012 showed one outstanding issue regarding whether the European Union may participate on the GCF Board, the resolution of which is still pending consensus of developed country Parties. Accordingly, the list above does not prejudge the outcome of this issue."

\*\*\* The letter of nomination indicated that: "Constituencies will decide at their own discretion on the designation of Member and Alternate Member."

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## **Annex II: Decisions taken by the Board in 2012**

### **First meeting of the Board, Geneva, Switzerland, 23-25 August 2012**

#### ***Agenda item 4: Additional rules of procedure of the Board***

##### *DECISION B.01-12/01*

*The Board:*

- (a) Noted the need for further work and consultations and requested the Interim Secretariat to prepare a working document on these issues for discussion at its next meeting;*
- (b) Invited its members to send comments on the issues raised at this meeting or additional issues to the Interim Secretariat by 30 August 2012, so that they can be addressed in the working document;*
- (c) Agreed, on a provisional basis, that the Co-Chairs, when chairing the meeting, may designate their alternates to act on their behalf and take their seats and that this arrangement would not set a precedent and will be replaced by more permanent arrangements at the next Board meeting under the additional rules of procedure.*

#### ***Agenda item 5: Arrangements for observer participation in the Board meetings***

##### *DECISION B.01-12/02*

*The Board:*

- (a) Agreed, on an ad hoc basis, to provisionally invite four active observers to participate in its meeting and to each make a statement on the issues that are on its agenda;*
- (b) Requested the Interim Secretariat to prepare a policy document on how to operationalize paragraph 16 of the Governing Instrument and invited its members to provide their views on this issue to the Interim Secretariat and observers present at the meeting to contribute as well. Input should reach the Interim Secretariat by 30 August 2012.*

***Agenda item 6: Selection of the host country of the Fund***

*DECISION B.01-12/03*

*The Board decided to adopt the evaluation criteria and selection process as presented in Annex III to this document. The Board decided to establish the Host Country Evaluation Committee with following members:*

*Mr. Dipak Dasgupta (India), Mr. Omar El-Arini (Egypt), Ms. Ana Fornells de Frutos (Spain), H.E. Ms. Audrey*

*Joy Grant (Belize), Mr. Gilbert Metcalf (United States of America), Mr. Tomáš Zídek (Czech Republic).*

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**Agenda item 7: Arrangements for the Interim Secretariat, including the appointment of its head****DECISION B.01-12/04**

*The Board:*

(a) Requested the Interim Secretariat to continue with the current arrangements as set up by the UNFCCC

and the GEF secretariats and under the supervision of its Co-Chairs;

(b) Provided guidance to the Interim Secretariat and requested the Interim Secretariat to report on how it implemented that guidance at the next Board meeting under the agenda item “Summary of activities of the Interim Secretariat”;

(c) Requested the Interim Secretariat to prepare a working document for the next Board meeting on how to address the issues relating to the establishment of the independent Secretariat, addressing the issues raised at this Board meeting;

(d) Agreed to initiate without undue delay the process of selecting the Executive Director of the independent Secretariat and requested the Interim Secretariat to prepare a working document addressing the criteria for, and the process of, the selection of the Executive Director as well as the terms of reference for this position;

(e) Invited the Board members to provide by 31 August 2012 comments to the Interim Secretariat additional to, or elaborating on, those presented at this Board meeting on the issues referred to in paragraphs (a) to (c).

**Agenda item 8: Arrangements for the Interim Trustee****DECISION B.01-12/05**

*The Board:*

(a) Requested the Interim Secretariat and the Interim Trustee to revise the document in the light of the comments made and present it to the Board at its next meeting;

(b) Invited the Board members to provide by 31 August 2012 comments to the Interim Secretariat additional to, or elaborating on, those presented at this Board meeting;

**Agenda item 9: Administrative budget of the Interim Secretariat and the Interim Trustee**

*DECISION B.01-12/06*

*The Board:*

*(a) Approved the administrative budget to cover the expenditures incurred during the period up to 30 June 2012, as presented in document GCF/B.01-12/08/Rev.02;*

*(b) Approved the administrative budget proposed for the period 1 July to 31 October 2012, in the amounts set forth in Table 1 of document GCF/B.01-12/08/Rev.02;*

*(c) Decided that the full costs of travel and daily subsistence allowance of the Board members and alternate members from eligible developing countries to attend Board meetings, or any ancillary meetings decided by the Board, will be provided from the budget of the Fund;*

*(d) Authorized the International Bank for Reconstruction and Development (the World Bank) as the Interim Trustee for the Green Climate Fund to make cash transfers for the Interim Secretariat through the UNFCCC and the GEF secretariats, and to the World Bank as the Interim Trustee, up to the total amounts specified in Table 1, subject to the availability of resources in the GCF Trust Fund and adjustment based upon revised costs and expenditures to be incurred;*

*(e) Took note of the funds provided by Denmark, Germany, Norway, Spain, Switzerland and the United States of America in agreeing to carry-over the unspent balance from contributions originally made to support the work of the Transitional Committee and of pledges made by Denmark and Germany for contributions to the administrative budget;*

*(f) Requested the Interim Secretariat and the Interim Trustee to present to it at its next meeting the refined administrative budget in a revised format.*

***Agenda item 10: Work plan of the Board***

*DECISION B.01-12/07*

*The Board agreed to consider at its next meeting the following issues:*

1. *Organization of work;*
2. *Summary of activities of the Co-Chairs;*
3. *Summary of activities of the Interim Secretariat;*
4. *Additional rules of procedure (including accreditation of observers and arrangements for active observers);*
5. *Selection of the host country of the Fund;*
6. *Arrangements for establishing the independent Secretariat, including the selection of the Executive Director;*
7. *Arrangements for the Interim Trustee;*
8. *Long-term work plan and priorities of the Board;*
9. *Administrative budget of the Interim Secretariat and the Interim Trustee;*
10. *Status of resources of the Fund;*
11. *Arrangements between the COP and the Fund;*
12. *Report to the COP.*

## **Second meeting of the Board, Songdo, Republic of Korea, 18-20 October 2012**

### ***Agenda item 3: Adoption of the report of the first meeting***

*DECISION B.02-12/01*

*The Board:*

*(a) Approved the report of the first meeting of Board as contained in Annex II to document GCF/B.02-12/11, with amendments (subsequently issued as document GCF/B.01-12/10);*

*(b) Agreed to publish the report of the first meeting of the Board on the Green Climate Fund website.*

### ***Agenda item 5: Additional rules of procedure of the Board***

*DECISION B.02-12/02*

*The Board:*

*(a) Approved paragraph 3 of Annex III (Additional Rules of Procedure relating to Co-Chairs) to document GCF/B.02-12/02;*

*(b) Decided, in accordance with the recommendations from the team on Additional Rules of Procedure, to organize a meeting of the team to continue their work one day prior to the third Board meeting.*

### ***Agenda item 6: Work plan and priorities of the Board***

*DECISION B.02-12/03*

*The Board:*

*(a) Agreed to take decisions with an aim to finalize the Fund's business model and consider each related matter in detail as part of the Board's work plan until the end of 2013;*

*(b) Agreed in principle to the elements of the Board's work plan until the end of 2013, as set out in Annex IV to document GCF/B.02-12/03;*

*(c) Agreed to the indicative priority matters in the work plan until the end of 2013, as set out in Annex III to this report;*

*(d) Agreed to the indicative timeline for the Board's work plan until the end of 2013, as set out in Annex IV to this report, noting that the Board will manage the timeline on a meeting-by-meeting basis;*

*(e) Agreed to the list of matters for consideration at its next meeting as outlined in Annex V to this report;*

*(f) Requested the Interim Secretariat to prepare documents listed in Annex VI to this report for the first Board meeting in 2013;*

(g) Requested the team of six Board members/alternate members to facilitate the preparation of the documents on the business model framework. These Board members/alternate members are: Mr. Arnaud Buisse, Mr. Nick Dyer, Mr. Derek Gibbs, Mr. Kjetil Lund, Mr. Tosi Mpanu Mpanu and Ms. Adriana Soto.

**Agenda item 7: Selection of the host country of the Fund**

DECISION B.02-12/04

The Board:

- (a) Decided by consensus to select Songdo, Incheon City, Republic of Korea, as the host city of the Fund;
- (b) Agreed to present this decision for endorsement to the Conference of the Parties (COP) of the UNFCCC at its eighteenth session.

**Agenda item 8: Arrangements for the Interim Trustee**

DECISION B.02-12/05

The Board:

- (a) Approved the Standard Provisions applicable to the Green Climate Fund Trust Fund in Annex II to document GCF/B.01-12/05/Rev.01;
- (b) Approved the Transfer Agreement under the Green Climate Fund Trust Fund (MTO No. 069022) with the UNFCCC secretariat in connection with the Interim Secretariat in Annex III to document GCF/B.01-12/05/Rev.01.

**Agenda item 9: Status of resources and administrative budget of the Interim Secretariat and the Interim Trustee**

DECISION B.02-12/06

10. The Board, having reviewed document GCF/B.02-12/06/Rev.01, and making a record of:

- Funds available for disbursement of US\$2.7 million as at 19 October 2012;
- Previous pledges anticipated to be paid in of US\$2.5 million;
- New pledges made at the meeting of US\$1.5 million; and
- Strong commitments to additional pledges made;

(a) Approved, from resources available or to be made available in the Green Climate Fund Trust Fund (GCFTF), the administrative budget of the Fund for the period from 1 November 2012 to 31 December 2013 of

US\$ 7,481,000, as set out in Table 2 of document GCF/B.02-12/06/Rev.01;

(b) *Authorized the Interim Trustee to make cash transfers from the GCFTF to the UNFCCC and GEF secretariats as the Interim Secretariat, and to the World Bank, as the Interim Trustee, in accordance with the administrative budget of the Fund approved by the Board, subject to adjustment based upon revised costs and expenditures to be incurred. In the event the Interim Trustee determines that the amount of available resources in the GCFTF will be insufficient to cover the total estimated budgets specified in (a) above, the Board authorizes the Interim Trustee to make cash transfers to the Interim Secretariat and the Interim Trustee up to the pro rata amount of available resources in the GCFTF to cover such total estimated budget as determined by the Interim Trustee;*

(c) *Authorized the Interim Secretariat to recruit staff for the period from 1 November 2012 to 31 December 2013, in accordance with the administrative budget of the Fund approved by the Board and subject to availability of resources, by:*

- i. Issuing fixed term contracts up to December 2013;*
- ii. Further staff assignments from the UNFCCC and GEF secretariats;*
- iii. Reimbursable secondments of experts from relevant institutions; and/or*
- iv. Hiring consultants for extended periods of time;*

(d) *Took note of the supplementary information presented in the document, including on the status of financial resources in the GCFTF.*

***Agenda item 10: Arrangements for establishing the independent Secretariat, including the selection of the Executive Director***

*DECISION B.02-12/07*

*The Board:*

- (a) Took note of the information presented in document GCF/B-02-12/07;*
- (b) Requested the Board members to submit any comments they may have on the document to the Interim Secretariat no later than 3 November 2012.*

*DECISION B.02-12/08*

*The Board:*

- (a) Decided to establish an Executive Director Selection Committee consisting of six Board members (insert names here) that will oversee the selection process and make recommendations to the Board;*
- (b) Agreed to request the Executive Director Selection Committee to:*
  - (i) Agree to revise the draft terms of reference for the Executive Director (Annex III of document GCF/B.02-12/08), taking into account written comments received from Board members, which will be provided no later than 3 November 2012;*
  - (ii) Decide the selection process for the Executive Director, considering the most effective and efficient approach, including whether an executive search firm is required to assist in the process;*

- (iii) *In the event that an executive search firm is the option of choice, agree on the terms of reference for the search firm, and provide guidance to the Interim Secretariat to identify a suitable firm in a cost-effective manner, for approval by the Selection Committee;*
- (iv) *Approve the text and media for disseminating the advertisement for the Executive Director;*
- (v) *Agree a short-list of candidates, interview the short-listed candidates and create a final list of three candidates without ranking for consideration by the Board, at its third meeting;*
- (vi) *Incur expenses of up to US\$ 200,000 ensuring expenditure is efficient and cost effective. If there is a requirement to exceed this amount, the Selection Committee will seek the Co-Chairs approval; and*
- (vii) *Keep the Board informed of progress, including a report to the third meeting addressing action in relation to sub-paragraphs (i)-(vi) above.*

### **Agenda item 12: Report to the Conference of the Parties**

*DECISION B.02-12/09*

*The Board:*

- (a) *Requested the Co-Chairs, assisted by the Interim Secretariat, to finalize the Report of the Green Climate Fund to the Conference of the Parties to the United Nations Framework Convention on Climate Change in Annex II to document GCF/B.02-12/09, taking into consideration the comments and amendments made at the meeting, and forward it to the UNFCCC secretariat;*
- (b) *Authorized the Co-Chairs to present the report to the COP.*

### **Annex III: Indicative priority matters in the work plan until the end of 2013**

- I. Business model framework*
- II. Private sector facility-related matters*
- III. Resource mobilization*
- IV. Results management framework*
- V. Establishment of the independent Secretariat*
  - (a) *Host country agreement*
  - (b) *Selection of the Executive Director*
  - (c) *Guidance on administrative policies of the independent Secretariat*
- VI. Modalities for readiness and preparatory support*
- VII. Access modalities (direct access and other access modalities)*
- VIII. Programme and project funding cycle*

- IX. *Funding approval criteria and processes*
- X. *Financial instruments and their terms*
- XI. *Allocation system*
- XII. *Standards and safeguards*
- XIII. *Risk management policy*
- XIV. *Information disclosure policy*
- XV. *Audits*

#### ***Annex IV: Meetings of the Board***

*The indicative schedule of Board meetings in the year 2013 is as follows:*

1. *First Board meeting, 12-15 March 2013, Berlin, Germany;*
2. *Second Board meeting, 25-28 June 2013;*
3. *Third Board meeting, [18-21] September 2013.*

#### ***Annex V: Agenda items for the first Board meeting in the year 2013***

##### ***I. Business model framework***

- (a) Structure and organization of the Fund*
- (b) Private sector facility-related matters*
- (c) Access modalities*
- (d) Results management framework*

##### ***II. Resource mobilization***

##### ***III. Modalities for readiness and preparatory support***

##### ***IV. Establishment of the independent Secretariat***

- (a) Selection of the Executive Director*
- (b) Review of staffing of the Interim Secretariat*
- (c) Guidance on administrative policies of the independent Secretariat*

##### ***V. Host country agreement***

##### ***VI. Any pending matter from the second Board meeting in 2012***

## **Annex VI: List of documents to be prepared for the first Board meeting in 2013**

### **I. Business model framework**

#### *(a) Structure and organization of the Fund*

*The document will build on the provisions of the Governing Instrument and guidance received from the COP. The document will include a description and visualization of the business model of the Fund to promote the paradigm shift towards low emission and climate-resilient development pathways, with:*

- (i) Structural options for the business model;*
- (ii) Models for the delivery of the Fund's resources (direct and indirect/wholesale and retail) for enhanced access;*
- (iii) Structural options and financial instruments in terms of its leveraging potential of additional public and private sector finance, at national and international levels in the context of funding windows and facilities; and*
- (iv) Complementarity of the Fund with other channels of climate finance and linkages with thematic bodies of the Convention.*

#### *(b) Private sector facility-related matters*

*The document will include the following matters:*

- (i) An assessment and implications of various institutional models for the PSF, including governance structure;*
- (ii) An assessment and implications of models for the delivery of the PSF resources, including direct, indirect or a combination; and*
- (iii) Complementarity of the PSF with other channels of climate finance.*

#### *(c) Access modalities*

*The document will include the following matters:*

- (i) Eligibility for accessing resources from the Fund; and*
- (ii) Range of access modalities, including enhanced access modalities, and their availability across different funding programmes.*

#### *(d) Results management framework*

*The document will include the following matters:*

- (i) Key elements of results management framework;*
- (ii) Modalities for monitoring and evaluation;*
- (iii) Results-based approaches for resource allocation; and*
- (iv) Performance indicators for measuring performance at project and programme level and for overall performance of the funded activities.*

## **II. Resource mobilization**

*The document will include the following matters:*

- (a) Policies and procedures for public contributions and other contributions, including from alternative sources; and*
- (b) Process and policies, participants and timeframes for resource mobilization and subsequent replenishments.*

## **III. Modalities for readiness and preparatory support**

*The document will include the following matters:*

- (a) Priority areas for readiness and preparatory support;*
- (b) Mechanisms for allocation, delivery and simplified approval process for readiness and preparatory support; and*
- (c) Complementarity of modalities for readiness and preparatory support with other channels of climate finance.*

## **IV. Establishment of the independent Secretariat**

*The document will include matters relating to:*

- (a) Selection of the Executive Director;*
- (b) Review of staffing of the Interim Secretariat; and*
- (c) Guidance on administrative policies of the independent Secretariat.*

## **V. Host country agreement**

- (a) Preparation of host country agreement, including provisional legal arrangements for privileges and immunities for the establishment of the independent Secretariat.<sup>2</sup>*

## **VI. Method for preparing the document on business model framework**

*The committee/team of six Board members will facilitate the preparation of the document on business model framework. Input from Board members could be solicited on specific matters/higher order questions. The Interim Secretariat will solicit input from consultants, experts and stakeholders, including private sector and civil society organizations on specific matters.*

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<sup>2</sup> In consultation with the host country.

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## **Annex III: Selection process for the host country of the Green Climate Fund - Steps towards the decision of the Board**

### ***Composition of the Host Country Evaluation Committee***

- (a) The Committee will be constituted of six members with equal representation between developed and developing countries;
- (b) The Co-Chairs will work with respective constituencies to determine membership;
- (c) Members, or their alternate in their place, may serve on the Committee;
- (d) The Committee will elect its Chair from among its members. The Chair of the Committee must be a Board member and not the alternate;
- (e) Members and alternates that represent a candidate country will not participate in the Committee;
- (f) Committee members will sign an undertaking of impartiality and confidentiality, including disclosure of any potential or perceived conflicts of interest.

### ***Role of the Committee***

- (a) The responsibility of the Committee will be to conduct an open and transparent process to assess the proposals received, based on the evaluation criteria decided by the Board;
- (b) In order to facilitate the host country selection by the Board, the Committee will prepare a consensus written report providing an evaluation of the offers against the criteria decided by the Board but not a ranking or recommendation;
- (c) If required, the Chair of the Committee can task the Interim Secretariat to assist in these responsibilities.

### ***Evaluation process***

- (a) The Committee will decide on most equitable, efficient and effective method of conducting its evaluation;
- (b) The candidate countries will be provided with the Committee's draft evaluation of their respective offers to review for accuracy prior to finalization of the report;
- (c) In determining its work programme, the Committee will stipulate how it intends to ensure full, equitable and proper consultation with candidate countries taking into account the limited time available to the Committee between now and the next Board meeting;
- (d) In carrying out its work, the Committee may solicit additional information as it deems appropriate. Likewise, the candidate countries may provide additional information. The Committee may set a deadline for providing any additional information;
- (e) The Committee will also invite six candidate countries for a meeting to make a presentation and provide any additional information on a location in a country other than six candidate countries;
- (f) The Committee may decide to send two of its members, one from a developed and the other from a developing country, for a site visit to host city in the candidate countries. The Interim Secretariat will accompany the Committee members to any such site visit.

### ***Selection of the successful candidate***

- (a) The Committee's report will be circulated to the Board and all host country candidates for their review two weeks before the next Board meeting;
- (b) The Chair of the Committee will make a presentation of its findings at the next Board meeting;
- (c) Each candidate country should be allowed the opportunity to provide a written statement regarding its offer and the Committee's report prior to selection of the host country at the next Board meeting. The candidate countries will also be invited to the next Board meeting to provide their comments on the Committee's report;
- (d) With a view to achieving an equitable, transparent, and open process, the Board will undertake the following steps towards adopting an outcome by consensus;
- (e) The Co-Chairs will first consult with members of the Board on a confidential basis to determine whether a consensus exists;
- (f) Failing that, the Board may utilise the following decision-making process:
  - (i) A series of confidential ballots of Board members to determine the successful candidate;
  - (ii) Following each round of balloting, the candidate country with the least support will be eliminated;
  - (iii) Each member is permitted one ballot in each round;
  - (iv) In the final round of two candidate countries, the candidate country receiving the majority of support will be selected for the Board to then be endorsed by consensus;
  - (v) In the event of a tie, the balloting process is repeated until a majority is reached.
- (g) The Board will adopt the outcome of the process by consensus;
- (h) The outcome of the Board selection process will be communicated to the COP for endorsement through the report of the Board.

## **Annex IV: Elements of the Board's work plan until the end of 2013**

### **I. Institutional and strategic matters**

- (a) Additional Board Rules of Procedure not covered at the second Board meeting;
- (b) Structure and organization of the Fund;
- (c) Model for the delivery of the Fund's resources (direct and indirect);
- (d) Allocation system;
- (e) Complementarity and coherence;
- (f) Reporting to the COP.

### **II. Access modalities**

- (a) Range of access modalities and their availability across different programmes;
- (b) Entities eligible to apply for accreditation;
- (c) Accreditation procedures and criteria;
- (d) Responsibilities and accountabilities of the Fund and implementing entities;
- (e) Form of arrangements/agreements between the Fund and implementing entities;
- (f) Assistance for entities seeking accreditation.

### **III. Programming modalities**

- (a) Financial instruments and their terms;
- (b) Risk management policy;
- (c) Funding approval processes and criteria;
- (d) Programme and project funding cycle;
- (e) Mechanisms to ensure country ownership and create linkages with country planning processes;
- (f) Mechanisms to ensure complementarity with other mechanisms and institutions;
- (g) Mechanisms to engage stakeholders;
- (h) Readiness and preparatory support and capacity-building.

### **IV. Private sector facility (PSF)**

Matters specific to the PSF:

- (a) Model for the delivery of the PSF's resources (indirect, direct or a combination);
- (b) Scope of activities and partners;
- (c) Financial inputs;
- (d) Mechanisms to ensure country ownership and create linkages with country planning processes;
- (e) Linkages with other Fund activities.

Matters common across Fund operations, but which may require specific PSF policies and procedures, depending on Board decisions on institutional and strategic matters:

- (a) Governance;
- (b) Financial instruments and their terms;
- (c) Funding approval processes and criteria;
- (d) Results measurement;
- (e) Information disclosure;
- (f) Conflict of interest.

## V. Accountability mechanisms, standards, results and evaluation

- (a) Best-practice fiduciary principles and standards;
- (b) Best-practice environmental and social safeguards;
- (c) Monitoring;
- (d) Results management framework;
- (e) Evaluation, including the Independent Evaluation Unit;
- (f) Information disclosure policy;
- (g) Independent Integrity Unit;
- (h) Redress mechanism.

## VI. Resource mobilization

- (a) Form of financial inputs;
- (b) Policies and procedures for public contributions;
- (c) Policies and procedures for other contributions, including from innovative sources;
- (d) Process, participants, roles, policies and timeframes for initial resource mobilization and subsequent replenishments;

## VII. Establishment of the independent Secretariat

- (a) Liaison with the host country regarding juridical personality and legal capacity for the Fund and associated privileges and immunities;
  - (b) Recruitment of the Executive Director;
  - (c) Guidance to the Executive Director on independent Secretariat's administrative policies such as: human resources policies and practices, recruitment, financial management policies and practices, facilities management and general administration, information technology, procurement and travel.
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